for purposes of applying the requirements of this subpart. To obtain this determination, the Medicaid agency must submit to the Regional Medicaid Director copies of current State laws that define institutional health care facilities for licensing purposes.

§ 431.705 Licensing authority.

- (a) The State licensing program must provide for licensing of nursing home administrators by—
- (1) The agency designated under the healing arts act of the State; or
 - (2) A State licensing board.
- (b) The State agency or board must perform the functions and duties specified in §§ 431.707 through 431.713 and the board must meet the membership requirements specified in §431.706 of this subpart.

§ 431.706 Composition of licensing board.

- (a) The board must be composed of persons representing professions and institutions concerned with the care and treatment of chronically ill or infirm elderly patients. However—
- (1) A majority of the board members may not be representative of a single profession or category of institution; and
- (2) Members not representative of institutions may not have a direct financial interest in any nursing home.
- (b) For purposes of this section, nursing home administrators are considered representatives of institutions.

§431.707 Standards.

- (a) The agency or board must develop, impose, and enforce standards that must be met by individuals in order to be licensed as a nursing home administrator.
- (b) The standards must be designed to insure that nursing home administrators are—
 - (1) Of good character;
 - (2) Otherwise suitable; and
- (3) Qualified to serve because of training or experience in institutional administration.

§ 431.708 Procedures for applying standards.

The agency or board must develop and apply appropriate procedures and techniques, including examinations and investigations, for determining if a person meets the licensing standards.

§ 431.709 Issuance and revocation of license.

Except as provided in §431.714 of this subpart, the agency or board must—

- (a) Issue licenses to persons who meet the agency's or board's standards; and
- (b) Revoke or suspend a license if the agency or board determines that the person holding the license substantially fails to meet the standards.

§431.710 Provisional licenses.

To fill a position of nursing home administrator that unexpectedly becomes vacant, the agency or board may issue one provisional license, for a single period not to exceed 6 months. The license may be issued to a person who does not meet all of the licensing requirements established under §431.707 but who—

- (a) Is of good character and otherwise suitable: and
- (b) Meets any other standards established for provisional licensure by the agency or board.

§ 431.711 Compliance with standards.

The agency or board must establish and carry out procedures to insure that licensed administrators comply with the standards in this subpart when they serve as nursing home administrators.

§ 431.712 Failure to comply with standards.

The agency or board must investigate and act on all complaints it receives of violations of standards.

§ 431.713 Continuing study and investigation.

The agency or board must conduct a continuing study of nursing homes and administrators within the State to improve—

- (a) Licensing standards; and
- (b) The procedures and methods for enforcing the standards.

§431.714 Waivers.

The agency or board may waive any standards developed under §431.707 of